

L&PS New Jersey Department of Law and Public Safety

Division of Gaming Enforcement

John J. Farmer, Jr., Attorney General

John Peter Suarez, Director

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FOR FURTHER INFORMATION CONTACT:

Kerry Hand, DGE, (609) 441-2533, Pager # (609) 229-2198

Mandatory 'Suspicious Activity Reporting' by
Casinos Leads to Arrest of Mercer County Man

ATLANTIC CITY - Guo Luan Lin of Hamilton Township was arrested by the New Jersey State Police for allegedly carrying out a credit scam in which he and other suspects fraudulently obtained "counter checks" and used them to defraud various Atlantic City casinos out of hundreds of thousands of dollars, Attorney General David Samson announced today.

Lin allegedly accumulated approximately \$130,000 worth of outstanding counter checks, all of which were returned to the various casinos for insufficient funds. Following his Jan. 31 arrest, Lin admitted to manipulating his bank accounts and providing false information on casino credit applications at numerous Atlantic City casinos. In all, Lin and other suspects involved in the scheme allegedly obtained \$800,000 worth of counter checks by putting false information on casino credit applications. Of that amount, more than \$600,000 worth of counter checks were returned by various banks for insufficient funds.

"Counter checks," also known as "markers," are a form of credit issued by casinos. After applying for a line of credit, approved patrons are advanced funds to use for gaming. In turn, the patrons must repay the debt within a certain time frame depending on the dollar amount owed. If the debt is not repaid within the allotted time period, the casino deposits the counter check which is then drawn on the patron's bank account. If there are not enough funds in the account, the counter check will be returned or "bounce."

Lin's activities were brought to the attention of State Police assigned to the Division Gaming Enforcement as a result of legislation requiring casinos to file Suspicious Activity Reports (SARs) with DGE. Two casinos reported Lin for suspicious activities including distributing gaming chips to associates to cash out in an attempt to avoid federal currency transaction reporting rules. The Internal Revenue Service requires patrons to file currency transaction reports for cash transactions exceeding \$10,000. After being alerted to Lin's activities, the State Police investigated the suspect's gaming activities throughout the casinos and developed information that ultimately led to his arrest. The other suspects are currently being sought.

"The filing of suspicious activity reports by casinos is an important tool in the fight against money laundering and other unlawful activities," Attorney General Samson said.

The SAR legislation was implemented Oct. 16, 2000, when DGE adopted regulations requiring all casinos to file a report for any suspicious financial transaction over \$5,000. DGE maintains a database of all the SARs submitted by the casinos. To date, more than 1,300 SARs have been referred to DGE for possible investigation.

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